Comparing LMX and AMO to Understand Frontline Manager Involvement in Flexible Work

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ABSTRACT: Whilst flexible work arrangements affect all levels of line managers, it has the biggest impact on frontline managers as they are the ones who deal directly with frontline staff. This paper examines how the LMX and AMO theories affect frontline managers during the implementation of flexible work arrangements. We found that during the implementation process of flexible work arrangements, frontline managers are influenced by 1) the relationship they have with their employees; 2) their employees’ work performance; 3) the nature of work; 4) the training they get in relation to flexible work arrangements; 5) the level of trust they have with their employees; 6) executive managements views towards flexible work arrangements. As such, the AMO theory is able to better explain the influences on frontline managers.

Keywords: frontline manager, AMO, LMX, flexible work arrangements

In recent years, two theories have dominated the scholarly discussion of line managers – leader-member exchange (LMX), and Abilities, Motivation, Opportunity (AMO). However, while each theory has been demonstrated to be robust, they each have different strengths. This paper is designed to compare the two theories explanatory power in relation to the way frontline managers (FLMs) play a role in the delivery of flexible working arrangements to employees. LMX aims to measure and explain the working relationship between an employee and his or her leader or supervisor (Thibodeaux & Hays-Thomas, 2005). Further, subordinates are valued differently with those who are more competent tending to have more exchanges with their superior and are therefore able to establish a closer relationship because of that (Bass & Bass, 2009). The relationship between a leader and his or her members impacts the work experience, as well as behavioural and attitudinal outcomes (Dulebohn, Bommer, Liden, Bruer & Ferris, 2012). Conversely, AMO suggests that performance is a function of ability, motivation and opportunity to perform (Paauwe & Boselie, 2005; Sterling & Boxall, 2013). It also suggests that employees (in our case, FLMs) perform well when they have the necessary skills or ability to do so, the motivation to perform, and are given the opportunity to perform by more senior managers (Truss, Mankin & Kelliher, 2012).

Our question is, if we were to consider the role of FLM in determining the use of flexible work arrangements (FWAs) by employees, which of the two theories provides greater predictive and
explanatory power? The remainder of this paper is as follows: firstly, we examine the role of FLMs in the human resource management function of organisations, followed by a brief outline of our competing theories. We then outline our research design and data collection methods, before presenting our data. Finally, we reach our conclusions comparing LMX and AMO as theories for explaining FLMs role in employees’ FWAs.

**LINE MANAGERS, LMX AND AMO**

**Line managers in FWAs**

Even though all line managers have to deal with HRM as part of their jobs, FLMs commonly have to deliver HRM to the greatest number of workers (Townsend, 2014). Therefore, employees’ perception and evaluation of HR practices are often those that are applied by their FLMs (Purcell & Hutchinson, 2007). The devolution of HR to FLMs often leads to a higher workload and more complex responsibilities and roles for them (Maxwell & Watson, 2006). According to Hutchinson (2014), taking into consideration performance or achievements, employee attitudes reflected in their motivation, job satisfaction and organisational commitment play a large part in their ability to acquire access to job flexibility. This is also influenced by the HR policies that have been put in place. However there has been debate over how line managers lead and manage their staff (including the implementation and management of FWAs) will influence employees’ attitudes and performances.

The attitude of an organisation’s leader significantly influences its practices and this then shows the importance of the attitude of managers in order to implement FWAs effectively (Maxwell, Rankine, Bell & MacVicar, 2007). Various studies have shown similar results in organisations having a strong relationship between managerial support and benefit utilisation (Webber, Sarris & Bessell, 2010). Watkins (1995) has pointed out that managers may use various methods that would affect the implementation of FWA. She has also emphasised the importance for a supportive organisational culture created by managers that would help to support flexibility at the workplace. This is because senior management usually formally designs work-life balance policies, including FWAs, and they are adopted at the organisational level but are implemented and managed at the micro level by line managers, including FLMs (Purcell & Hutchinson, 2007; McCarthy, Darcy & Grady, 2010).
Therefore, FLMs play a central role in FWAs in companies as their actions and support would affect the adoption and diffusion of it (Mani, 2009; Gregory & Milner, 2012).

**LMX**

LMX can be simply defined as the working relationship between an employee and his or her leader or supervisor (Thibodeaux & Hays-Thomas 2005). As leaders are not able to give all their subordinates equal attention due to resource and time constraints, leaders then establish varying types of relationships with the latter, ranging from higher quality exchanges, with higher levels of mutual trust and respect, to lower quality exchanges, which are based primarily on the formal employment contract (Bauer & Green, 1996; Bass & Bass, 2009). This would mean that all subordinates are valued differently with those who are more competent tending to have more exchanges with their superior and are therefore able to establish a closer relationship (Bass & Bass, 2009). The relationship between a leader and his or her members impacts the work experience, as well as behavioural and attitudinal outcomes (Dulebohn et al., 2012). In addition, research also suggests that if a LM believes that a high quality LMX exists between the employee and him or herself, it would lead to a higher performance appraisal (Michael, 2014). Tummers and Bronkhorst (2014) show that high quality LMX also helps to mitigate the degree to which an employee experiences conflicts and interferences between work and family due to reduced perceived work pressure. This can be explained by the LMX being positively associated with employees’ perception on meaningful work and as a result the psychological benefits and rewards experienced due to them feeling that they are making a difference at work would then spillover to their personal lives (Voydanoff, 2004; Bono & Yoon, 2012).

**AMO**

Greener (2010) has raised the importance of the organisation’s culture and the role that line managers, especially FLMs, play in implementing HR policies influencing high performance working through the AMO theory. AMO theory shows how human resource practices affects the attitudes and behavior of employees in order to assist in the explanation of the relationship between human resource management and organizational performance (Woodrow & Guest, 2014). The three different components are related to various HR practices that are put in place by organisations. Firstly, the
ability component is related to policies like recruitment, training and development, that attempt to influence and improve the knowledge and skills of employees in order to improve competencies of the labour pool (Lai & Saridakis, 2013). Next, motivation is affected by policies like appraisals and rewards, which influence individuals to reciprocate through positive work attitude and behavior, increasing their effort to perform well (Lai & Saridakis, 2013; Kooij & Voorde, 2015). Lastly, opportunity is influenced by empowerment enhancing policies that are important to employees like participation in decision-making and authority (Brothers 2007). It would seem that the AMO of the FLMs (Harney & Cafferkey, 2014) would impact employees’ access to flexible working arrangements.

**Expectations of LMX and AMO Compared**

So when our question is focused on understanding the role that line managers play in providing support for employees who are seeking flexible working arrangements, we have two theories that can explain what occurs. Simple put, and represented in Figure 1, LMX would predict that employees who hold a stronger relationship with their leader would receive better access to flexible working arrangements than their colleagues without such positive relationships. AMO on the other hand, would predict that it is the abilities and motivation of the line manager, and the opportunities that they have which determines how their subordinate employees are able to access flexible working arrangements. The next section explains the research design and data collection before we discuss our findings.

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**METHODS**

**Research Design and Data Collection**

A large Australian organisation was the site for this research and the team completed 108 interviews involving four different departments within two different branches. The original study was carried out with the intention of uncovering the employees’ experiences in customizable work, or individualised FWAs. This was achieved through multiple meetings with various members of the
organisation in order to negotiate access and approval. Access was granted to allow for a cross sample of participants. The three chief investigators of the project completed semi-structured interviews, most of which lasted for around 45 minutes following the required research ethics discussion and explanation of the project’s purpose. The interviews were scheduled to start every one and a half hours, which left some buffer time in case the respondents went over the time allocated; it also allowed for the interviewers to meet after each interview to discuss themes that have emerged as the interviews progressed (Legard, Keegan & Ward, 2003).

The interviews started off with demographic questions about the respondent. Respondents were also then encouraged to talk about their job, their use of various work flexibility offered to them, and their career development experiences. For those in managerial and supervisory positions, they were asked to talk about these experiences from an employee point of view first before talking about them from a management perspective.

Data Analysis

This study has examined the role that FLMs play in the implementation of FWAs and what factors impact upon this. We have a starting assumption that employees must first have a perceived need to use FWAs. They then use perceptions of their relationship with their FLMs, their performance, and nature of their work when considering if they should make the request. Should they decide to make the flexible work request, it is then in the hands of the FLMs. Our data shows that the following factors exert influence on the FLMs decision on how they approach FWAs: relationship with employees; employees’ performance; the nature of work; executive management views; trust; and FLMs’ training. These factors affect if the request would be approved or not; when approved, whether the request would be implemented formally or informally, achieving the individual outcome of access to FWAs and organisational outcome of retention and performance. This may then lead to inconsistencies based on how they are implemented.

INFLUENCES ON FLMS

Relationship with Employees
Line managers are first influenced by the relationship they hold with their employees when dealing with FWAs. Existing studies have also demonstrated that by having a good relationship or high quality LMX, FLMs tend to be more active in assisting their subordinates with any personal or work pressures (Tummers & Bronkhorst, 2014). With the FLM as the gatekeeper for access to flexibility, a good relationship between the parties will influence the FLMs to be more understanding and open to customising FWAs (Liden & Graen, 1980). This becomes evident when the FLMs suggested to employees with work and family pressures that they could work from home, rather than waiting for the employees to make a request:

*I would have wanted to go to the school a fair bit to see the kids if they had things on at school and I would ring [FLM], I need to come in late this day blah, blah, blah. I’d always work back or whatever and she actually said to me you should start working from home. I just said well if you can make it happen I will. That just went from that conversation.*

The quality of LMX also allows for employees to approach their FLM to voice any concerns or requests (Townsend, Wilkinson & Burgess, 2012). The respondents echoed this when they mentioned that a good relationship is essential for them to even approach their FLM to make requests. Otherwise, because they do not feel comfortable approaching their FLM, they do not bother asking as they hold the perception that their request will not be granted:

*Because my previous manager I didn’t get along with at all and I felt bad to even ask for anything...I’d feel put down basically and horrible for asking such a thing.*

Nevertheless, no matter the relationship with the FLM, if the employee’s performance is not up to an acceptable level, access to FWAs may be limited.

**Performance**

Performance is the second factor that exerts influence on FLMs when they deal with FWAs. Hutchinson (2014) has written about the importance of performance when FLMs are dealing with FWAs. She also discussed the importance of performance that FLMs consider when deciding if FWAs should be granted or not but it is also influenced by how FLMs carry out the implementation of workplace flexibility. Respondents have brought up the importance of employee performance influencing their decisions on the implementation of FWAs. This is related to FLMs’ inability to rank the importance of the reason given by employees attempting to access FWAs when necessary.
Additionally, the respondents have stated that performance is an essential factor when FLMs are dealing with fixed work from home or off-site arrangements.

So working from home they allow staff to do that, but it’s performance based. So with the structure a lot of people had low results so they couldn’t reward those people working from home. So you have to be performing really well to get that opportunity. (Team Member)

Work from home is - that’s a - that’s actually a privilege. Because the organisation is extending an element of trust, giving the flexibility there. So no, it’s not for everyone. If performance slips, then we’ll require you to come back in. (Executive General Manager)

As a result of that, FLMs feel that should performance not be at a certain level, employees would not be able to succeed when working offsite. The quality of LMX between the FLM and employee could then affect access to FWAs so even though appropriate performance measures are in place, the rating from FLMs may by subjective; hence, the quality of LMX between FLM and subordinate may hold the key to whether the former reacts positively or negatively to FWA requests.

**Nature of Work**

The nature of work influences FLMs; it also influences the amount of access FLMs give to FWAs and this is despite executive general managers not being able to list jobs or types of work in the organisation that did not allow for flexibility:

Well certainly you get different degrees of flexibility... I’m struggling to think of a job that the person needs to be here in the office, 100 per cent of the time... I probably don’t see that role.

This here could be explained by the AMO of the FLMs when they are dealing with FWAs. Blake-Beard, O’Neill, Ingols and Shapiro (2010) have written about flexibility not being designed for heterogeneity in the completion of work. FLMs may then lack motivation in offering flexibility to their staff, as they do not believe that the certain kind of work can be done flexibility. For example, it was evident that there are FLMs, especially in customer service or phone based teams that reject the idea of FWAs because they believe that the type of job being performed does not allow for the luxury of flexibility due to the office-bound requirement of their tasks:

I suppose when you obviously apply for a job and get a job in a call centre you know it’s going to be pretty structured because that’s the type of job it is. (Team Member)

Using the AMO theory, FLMs here may also lack the motivation to offer FWAs as they may be worried about the general performance should flexibility be offered. The level of autonomy that FLMs
have in terms of offering FWAs both formally and informally is shown here because it does not coincide with the executive managements view of the nature of work affecting access to flexibility. On the other hand, due to inadequate training on appropriate use of FWAs the FLMs may believe that certain jobs are not suitable for FWAs.

**Training**

The training received by FLMs regarding FWAs influences the consistency and decision-making of FLMs because with training, one would anticipate that the FLMs may have a better understanding of what is expected of them, and would be more likely to be consistent in decision-making, with all other elements being equal. The FLMs in this organisation have expressed that there is no official FWA training program provided to them which may explain the lack of standardisation in the implementation of FWAs. This is consistent with findings that few FLMs receive sufficient training to know how to deal with FWAs appropriately (Wise & Bond, 2003); as they are the ones implementing policies that they have not formulated, this may be where the inconsistencies arise (McCarthy et al., 2010). The lack of training also impacts on the ability of FLMs to implement FWAs efficiently and consistently (Larsen & Brewster, 2003). Without developing the ability to adequately determine how to respond to requests, the performance of FLMs in administering FWAs will be impacted as nearly all the implementations of such policies are through them (Katou & Budhwar, 2014). In addition, without protocols that they can follow, different FLMs will respond differently to flexible work requests. This can be seen from a FLM who prefers that the staff to be available and in the office working:

> So we can get phone calls, we need to see you all. Can we meet you? A lot of it is done face to face and there’s an expectation that you are available or within reason that you are available. Could it be done the next day? Yeah it could, but I supposed that’s an old fashioned thought process from me as well.

Nevertheless, our evidence suggests that the absence of training may not make as big an impact on FWAs as trust.

**Trust**
FWAs require underlying trust and respect between management and employee and this would affect how FLMs distribute and implement them (Reilly, 2001; Lewis & Rapoport, 2005; Klein, 2009). The interviewees tend to classify trust into two types: the trust in the person and the trust in the quality of the work. LMX influences the trust the manager has in the employee because with higher quality LMX, comes higher levels of mutual trust and respect (Bauer & Green, 1996; Bass & Bass 2009). A high quality LMX would then mean that the FLM would trust their employee utilising FWAs to be doing work when they are supposed to. Comparing this to a lower quality LMX, where the FLM would hesitate in offering certain forms of FWAs where they are not able to see the employee. A middle manager has expressed the difficulties that leaders have due to the lack of trust and struggle with workplace flexibility because of it:

*Trust is a large part of it. For leaders trust is a huge thing and that’s where a lot of leaders struggle with flexible working.*

The dilemma may be caused by their lack of trust in the employee and in the quality of work they are going to produce without supervision. This may then explain why certain FLMs do not support and promote FWAs as they do not feel motivated to offer flexibility if they do not trust their employees to be doing work of an acceptable quality. From the interview data, the lack of trust has affected the implementation of FWAs as there were certain FLMs who did not like their staff to end work later than them. As such, these FLMs would be hesitant to offer flexibility in employees’ working hours even if they have the ability and opportunity to do so as they lack the motivation. On the other hand, the support from executive management influences FLMs in their implementation of FWAs more than trust.

**Executive Management Views**

Executive management views is the final factor to discuss that influences FLMs. Executive managers also understand the importance of talent retention and have expressed how essential flexibility is in holding on to their capable staff. This could also affect the opportunity of FLMs to offer FWAs to their employees:

*(My manager says he doesn’t)... like working from home... does not like or doesn’t trust work - he’s old fashioned. He says, “I’m old fashioned”. ...his view is you should be - you come to*
work and that’s where you work.

The lack of standardisation and formality in FWAs in the organisation may also be affected by the varying executive management views regarding implementation. Executive management are in a position where their attitudes determine the encouragement or discouragement of FWAs (Appelbaum, Bailey, Berg & Kalleberg, 2006; McDonald, Pini & Bradley, 2007). When executive managers do not offer FWAs across the board to the employees, the culture created does not support flexibility and subordinate FLMs have restricted opportunities to support employee requests.

**DISCUSSION AND CONCLUSION**

When we examine the role of FLMs in the use of FWAs by employees, two existing theories provide strong predictive and explanatory capacity – LMX and AMO. Our qualitative research of different departments within the same organisation allows us to understand the role of FLMs in a way that explains the influential factors within their team and external to their team. There is no doubt that the relationship that a team member has with their leader influences their access to FWAs just as LMX would predict. However, as illustrated in Figure 2, there are many factors beyond this relationship that influence the actual employee experience. For example, trust, FLM training, the nature of the work, executive management views, and employee performance, combined with the various formal and informal mechanisms that are at play, all influence the manner in which employees access FWAs. Studies designed to test and measure LMX may very well capture this important contextual information, however, the use of AMO will allow the prominent place of the FLMs to be better explained. FLMs are influenced a great deal by things that are not within their control and AMO provides more capacity to draw in wider issues that influences their decision making and hence, employee access to FWAs.

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How though do we explain the difference experiences for employees using AMO when LMX seems perfectly placed to do that? Factors including the individual employees’ performance and the nature of the work are very influential in decision making for FLMs. Hence, regardless of whether the FLM and employee share a strong LMX, if the nature of the work means that one employee is more flexible in the timing and working space, or, their performance is better than other employees, these factors will influence decision making. Good performance will be more likely to motivate the FLM regardless of the leader-member exchange, and for example, the tasks one employee with a high quality exchange might be required to complete are restrictive and might not allow ease of flexible work. Additionally, the training that an FLM has had in the past is likely to influence their A, M and O in providing employees with access to FWAs regardless of the exchange they share with any given employee. Hence, while LMX and AMO can both provide strong predictive and explanatory power in understanding the role of FLMs, AMO is more cogent because of its capacity to easily draw in important contextual factors within the organisation and the employment relationship.
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Figure 1: Expectations of LMX and AMO Compared

LMX would predict different outcomes within teams based on the employees' individual relationship with their manager.

AMO would suggest that the abilities, motivation and opportunities of LMs (and FLMs) would result in similar outcomes for employees in different teams.

Figure 2: Flowchart of Access to Flexible Work Arrangements Captured Using AMO Theory

INFLUENCE ON LINE MANAGER
Relationship
Performance
Nature of Work
Training
Trust
Executive Management Views

Informal Implementation
Formal Implementation

Inconsistencies

Organisational Outcomes:
Retention
Performance

Individual Outcomes:
Access to FWAs